

S-E-C-R-E-T

10/8
7 December 1954
Eric K. Petschek

DCN WORK SHEET

Subject:

East-West trade of Hugo STINNES, Germany.

Reference Documents:

See list below.

Summary:

A series of reports have been received regarding East-West trade activities of an individual, firm or firms going under the name of Hugo STINNES, Germany.

Hugo STINNES is involved in three DCN cases, 109, 204, and 251. The first of these involves a shipment of 2,000 tons of aluminum apparently destined for PROGRESS, Yugoslavia. The second involves a shipment of 177 tons of Chilean copper, which appears to have been diverted. The third involves a shipment of 425 tons of Chilean copper ostensibly destined for WILLIBALD BEER, Austria.

A file check discloses that a sizeable portion of the STINNES firms are controlled by ALIEN PROPERTY CUSTODIAN of the Department of Justice. In the custodian are vested 53% of the common stock of the Hugo STINNES CORPORATION of New York, which in turn controls Hugo STINNES INDUSTRIES, INC., New York, all of whose stock is also vested in the U.S. ALIEN PROPERTY CUSTODIAN. Hugo STINNES INDUSTRIES, INC., New York (therefore the Alien Property Custodian) controls 54% of the common stock of Hugo STINNES, G.m.b.H., Mualheim/Ruhr, which in turn controls almost a hundred operating companies mainly in Germany and also in other contiguous European countries.

Some time ago I had a talk with Mr. Henry G. Hilken, of the Alien Property Custodian office. Mr. Hilken is also Chairman of the Board of the Hugo STINNES CORPORATION, New York.

Mr. Hilken gave me valuable information about the make-up of the companies falling under his jurisdiction. He also told me that the STINNES family headed by Hugo STINNES, Jr. has succeeded in building up a parallel industrial empire which is not under the control of the U.S. Alien Property Custodian.

State, Commerce declassification & release instructions on file

S-E-C-R-E-T

Although Mr. Hilken was not made aware of the reason for my interest in the STINNES firms he said that he was interested in enforcing export controls applicable to Soviet bloc destinations and would be able to help in controlling any exports by any of the firms under his control provided the transaction was contrary to German law as well as contrary to U.S. law or policy.

A search has been made of the reports in our files regarding Hugo STINNES or any corporation designated by that name. It appears that although Hugo STINNES G.m.b.H., Muelheim/Ruhr is under Alien Property control, the banking firm of Hugo STINNES, OH., and Hugo STINNES INDUSTRIE UND HANDEL G.m.b.H., both located at 33 Auf dem Dudel 33, Muelheim/Ruhr are not under Alien Property Custodian control but appear to be under the control of the STINNES family. All of the documents listed below appear to relate to the activities of either Hugo STINNES individually or to one of the firms under STINNES family control.

Bonn D-2409, 8 March 1954, CONFIDENTIAL
 Telegram/unnumbered, Vienna, 13 August 1954, CONFIDENTIAL
 London D-756, 16 September 1954, CONFIDENTIAL
 Deptel 404, Mexico City, 25 September 1954, CONFIDENTIAL
 The Hague D-167, 20 August 1954, CONFIDENTIAL
 Rome D-352, 19 August 1954, SECRET
 The Hague, D-157, 18 August 1954, CONFIDENTIAL
 Brussels D-19, 7 July 1954, LIMITED OFFICIAL USE
 Amsterdam D-117, 6 November 1953, RESTRICTED
 Dusseldorf D-389, 13 May 1954, UNCLASSIFIED
 Deptel 2559/HICOG, Bonn, CONFIDENTIAL
 Basel D-71, 18 March 1954, SECRET
 Paris/Tel 1393, 3 March 1954, CONFIDENTIAL
 Bonn/Tel 2702, 2 March 1954, CONFIDENTIAL
 The Hague D-414, Dist. 14 October 1953, RESTRICTED

E/ST Suggestions:

It is suggested that consideration be given to clear all or some of the listed reports for Mr. Hilken and transmit copies thereof to him in order to determine whether these transactions involve one or more of the companies under his control. It may be advisable to coordinate with Mr. Hilken any future investigation involving any of the STINNES firms. In the event that any illegal activities are discovered involving any of the firms under Alien Property control, it is my understanding from the conversation with Mr. Hilken, that corrective steps can and will be taken.

27 Dec 54; MA

Hilken will contact Hilken on this ws & take action with APC - Hilken is cleared thru Secret

S-E-C-R-E-T